

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF CO-OPERATIVE MARKETING,
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

July 23, 1927.

Vol. 5, No. 15.

SMALLER COTTON DELIVERY TO COOPERATIVES

Less cotton was marketed cooperatively the past year than in 1925-26. A preliminary estimate of the activities of the 15 large-scale cooperative cotton marketing associations gives the quantity of cotton of the 1926 crop handled as 1,250,000 bales, compared with 1,472,346 bales of the 1925 crop by the same organizations, as will be noted by the figures below:

Marketing season	Number of associations	Cotton marketed cooperatively	Per cent of total production
		(Bales)	
1921-22	5	352,226	4.4
1922-23	10	763,686	7.8
1923-24	14	928,562	9.2
1924-25	15	1,096,417	8.0
1925-26	15	1,472,348	9.1
1926-27	15	1,250,000	6.7

The percentage of the total crop handled cooperatively was less than for any crop produced since 1921, being less than 7 per cent, compared with 9.1 per cent for the crop of 1925, and 8 per cent for the crop of 1924.

The decline in cooperative activity during the 1926-27 season was general for most of the cotton marketing associations, although the reports from three associations show slight gains over the preceding year.

The record-breaking crop of 1926 with the low prices, produced a situation which made the marketing problem an extremely difficult one for cotton planters with limited credit. It is believed that many of the small producers who were members of the cooperatives were unable, because of financial obligations, to deliver their cotton to the associations. This resulted in considerable reduction in receipts.

Several of the associations had completed the period covered by their first 5-year contracts and were conducting campaigns for re-signing their members, which situation tended to reduce deliveries.

PRESIDENT OF TEXAS COTTON ASSOCIATION REPORTS

That there is an encouraging outlook for the cooperative movement in Texas, is the belief of the president of the Texas Farm Bureau Cotton Association, Dallas, as expressed in his annual report, issued June 27.

During the year the association sold 183,271 bales of cotton, of which 88,911 bales were sold locally, 39,498 bales were sold in the Carolinas, and 2,450 bales at New England points. The remainder was exported, 24,870 bales going to Havre, 14,400 bales to Kobe, 4,400 to Bremen, 3,842 to Barcelona, 1,800 to Liverpool, 1,200 to Enschede, 750 to Paris, 500 to Stuttgart, 300 to Milan, 250 to Ghent, and 100 to Rotterdam. More than half the receipts were sold through the American Cotton Growers' Exchange which, in addition to sales service, also rendered assistance to the management in determining policies.

Total operating expenses for the year amounted to \$5.87 per bale, which was a reduction of \$1.01 from the figure of one year ago. This total was made up of the following items: handling expense, \$2.82; interest, \$0.42; association expense, \$2.63. An increase of \$0.61 per bale in the association expense was due largely to increased activity of the field service department. In the 1925-26 season the items making up the per bale expense were: handling expense, \$3.32; interest, \$1.54; association expense, \$2.02; total \$6.88.

Two important pieces of work are credited to the field service department: the establishment of an educational department for work among women, and the personal distribution of final checks in the leading cotton producing counties.

In response to a demand from the growers of South Texas who raise cotton of early maturity and peculiar luster, plans have been practically completed to handle this cotton in a special pool and to make returns earlier than has been possible heretofore. By concentrating at Corpus Christi and shipping direct from that point, a saving of \$1.50 a bale is anticipated. From 50,000 to 50,000 bales will probably pass through this port.

Another innovation is the "stagger contract" whereby contracts will be effective for five years from time of signing and will not all expire at once. This plan is expected to lower the costs of field service, by avoiding the necessity for enlarged organization for intensive campaigns.

Reports from the subsidiary organizations showed that the Texas Cotton Growers' Finance Cooperation had matured 245 loans on the 1926-27 crop, these loans totalling \$257,719. The field service department had distributed at cost 15,992 bushels of certified cotton seed; a co-operative gin corporation had been formed and was expected to have a large number of gins ready to handle 1927 cotton. Through the purchasing department of the Texas Farm Bureau Federation thousands of dollars had been saved by the cooperative purchase of fertilizer, poison and supplies; and the group life insurance plan was proving its value to members. Death claims had been paid to the amount of \$4,000.

FOURTH YEAR OF COTTON MARKETING IN LOUISIANA

Practically all of the 1926 cotton delivered to the Louisiana Farm Bureau Cotton Association, Shreveport, has been sold and final payment has been authorized by the board of directors, according to the report of the secretary-treasurer, submitted at the fourth annual meeting held June 14. The quantity of cotton delivered was 55,341 bales, the largest quantity the association has handled in any one year.

Since the association began marketing cotton in 1923 it has received approximately 163,000 bales of cotton, which it has sold for about \$12,000,000. The percentage of the total production received by the association has varied from about five per cent to about eight per cent. The percentage of the 1926 crop handled by the association was 6.7 per cent, which was greater than for either of the two preceding years. The growth of the association during the past years is indicated by the figures below which have been compiled largely from the reports of the organization.

Marketing season	Total Louisiana bales ginned*	Bales received by association		
		Number of bales	Per cent of total for state	Sales value
1923-24	368,000	29,885	8.1	\$4,311,887
1924-25	493,000	26,537	5.4	3,287,788
1925-26	910,000	51,194	5.6	**4,515,980
1926-27	820,000	55,341	6.7	-----

* Yearbook of Agriculture, 1926, p. 963.

** Exclusive of long staple cotton.

Figures compiled by the management indicate that less than 40 per cent of the members under contract to deliver their cotton to the association actually delivered cotton during the past year, compared with 53 per cent for the preceding year and 63 per cent for the first year that the association was functioning. The percentage of the total number of members participating in the pools who delivered more than eleven bales each has steadily increased during the four-year period as has also the percentage of the number of bales delivered by the larger growers. The average number of bales per member delivering has increased from 8.2 bales for the 1923-24 season to 18.4 bales for the 1926-27 season. The exact figures for the several seasons are as follows:

Marketing season	Members delivering cotton			
	Percentage of total membership	Average number of bales per member	Delivery of more than 10 bales	
			Percentage of participating members	Percentage of total bales received
1923-24	62.9	8.2	14.8	65.7
1924-25	47.8	9.6	15.4	66.6
1925-26	53.4	13.5	24.3	77.5
1926-27	39.2	18.4	33.3	84.1

The heavy decline in deliveries by the members shipping less than ten bales each is accounted for by the management on the theory that the smaller growers were so financially involved because of low prices as to prevent them from turning over their cotton to their association. The management believes that the larger planters are looking more and more to cooperation as a solution of their marketing problems and are taking a greater interest in the association.

Data available at this time indicate that the per-bale cost of marketing will be somewhat higher for the present season than for last season but not so high as for either the second or third seasons, as will be noted by the following figures:

	1923-24	1924-25	1925-26	1926-27*
	(Per bale)	(Per bale)	(Per bale)	(Per bale)
Interest	\$2.12	\$1.15	\$1.28	\$1.10
Insurance	1.07	.25	.18	.38
Warehouse	1.65	1.18	1.60	1.75
Association expense	2.50	3.00	1.65	2.30
Total	7.34	5.58	4.71	5.53

*Estimated.

The treasurer has been authorized to refund to the members the 1 per cent reserve deducted from their shipments for the year 1923-24, with interest thereon at 5 per cent. This refund will amount to about \$45,000, reducing the reserve to about \$125,000.

A new contract has been prepared and published. It covers 10 years with withdrawal privileges at stipulated intervals, and provides for daily and monthly pools in addition to the regular seasonal pool.

AVOCADO GROWERS DECIDE TO CHANGE NAME OF EXCHANGE

At the recent annual meeting of the California Avocado Growers' Exchange, Los Angeles, it was decided to change the name of the organization to Calavo Growers of California, and the necessary legal steps in connection with the change were authorized.

Action on the question was preceded by considerable discussion during which it was pointed out that in the eastern markets where the fruit will eventually be sold not more than one person in one hundred had ever tasted an avocado or alligator pear and, therefore, it would be economy to educate the people to call for "Calavos" or the best grade of avocados.

-----0-----

IDAHO GROWERS SHIP POTATOES COOPERATIVELY

Four warehouses were operated the past season by the Idaho Falls Potato Growers, Inc., Idaho Falls, and 553 cars of potatoes were shipped for the members, bringing a total of \$367,708. The association was formed early in 1922. A year later it had 254 members. Its activities are indicated by the following table:

Season	Potatoes marketed	Receipts from potatoes	Supplies sold	Total
	(Cars)			
1922-23	535	\$124,836	\$27,951	152,787
1923-24	365	150,086	28,476	178,562
1924-25	426	182,347	55,070	237,417
1925-26	675	688,267	40,973	729,240
1926-27	553	367,708	29,228	396,936

Potato sacks are the main item of supplies handled, more than \$24,000 worth being sold this year. Binding twine, sewing twine, baskets, car paper, and grass seed of all kinds are also handled.

Expenses for the year were \$10,660. The four warehouses with their equipment are valued at \$18,736, and members' equities in the association amount to \$26,522.

TEXAS CITRUS EXCHANGE OPERATES AT SMALL COST

In the year ending May 15, 1927, the Texas Citrus Fruit Growers' Exchange, Mission, Tex., shipped 232 cars of citrus fruit, besides several thousand boxes by express. Organized in 1923 with about 100 stockholders, the Exchange took over the only packing house in the valley. It has now handled four crops of fruit. The number of stockholders has increased to nearly 300 and the number of packing houses to three. The quantity of fruit handled through the packing houses is as follows:

Season	Fruit handled		
	Grapefruit	All fruit*	
	(Boxes)	(Boxes)	(Relative)
1923-24	25,493	26,570	100
1924-25	61,521	65,690	247
1925-26	28,083	33,640	127
1926-27	72,007	76,655	289

*Including grapefruit, oranges, tangerines, lemons, limes, etc.

Fruit is packed on the basis of a guaranteed maximum charge. The first year of operation this charge was set at \$1 a box for grapefruit, and at the end of the season the growers received a refund of a little over 10 cents a box. The next year with a heavier crop the Exchange was able to make a refund of 13 cents. It was then decided to reduce the packing charge to 90 cents but a freeze resulted in very light shipments of grapefruit and the charge did not quite cover expenses, however, the charge of 90 cents was maintained for that season and for the past season. In spite of the increased cost of about 2 cents for boxes the past season the growers received a refund of 4.0546 cents a box, making the average cost of packing for all plants a fraction over 85 cents a box.

On a charge of 25 cents for selling the Exchange lost a little money the first year and made a little the second year. The third year the charge was lowered to 20 cents, the Exchange and the members both contributing 5 cents a box to the advertising fund.

Packing charges collected from growers in 1926-27 amounted to \$71,605 and expenses of every kind totalled \$68,497 leaving net operating earnings \$3,108.

Most of the \$5,278 spent for advertising the past season was used for window displays. Many of the jobbers personally contributed newspaper advertising for TexaSwee fruit. Plans have been developed for stamping the brand TexaSwee on each grapefruit.

While the management is partial to a seasonal pool, the fruit was handled in two pools last year, the first ending on December 1 and the other running to the end of the season. Some growers have suggested three pools for the coming season.

VERMONT CREAMERY ACTIVE MANY YEARS

Organized in 1896 the North Montpelier Cooperative Creamery Company, North Montpelier, Vt., continues to function year after year. It receives and converts into butter annually, from 300,000 to 400,000 pounds of butterfat. The average monthly price paid patrons for the last six years has been around 50 cents a pound. In 1926 it received 241,126 pounds of butterfat which it converted into 296,575 pounds of butter. This was sold for \$138,097, resulting in an average return to the patrons of 52.50 cents a pound.

----0----

DAIRYMEN OF NEW YORK MILK SHED VOTE TO AFFILIATE

At a meeting of dairymen, held at Utica, June 27, it was decided to unite the organized milk producers in the New York milk shed under the leadership of an Advisory Board. This Advisory Board is to be composed of the executive committees of the Dairymen's League Cooperative Association, Inc., Sheffield Producers' Cooperative Association, Inc., and the Unity Cooperative Dairymen's Association, Inc., with one additional lay member from each organization for each 10,000 members. This plan was recommended by the Milk Program Committee which has been at work on the subject since October, and was approved by the dairymen present representing the three groups.

----0----

PURE MILK ASSOCIATION BUYING DISTRIBUTING COMPANY

At the end of the fiscal year, March 31, 1927, the Cooperative Pure Milk Association, Cincinnati, Ohio, held equities in the French Brothers-Bauer Company to the amount of \$984,592, according to the annual statement of the auditors. The total holdings of this stock by the association now amount to 46,392 shares, while \$144,000 has been advanced to the company for expansion purposes.

During the fiscal year the members of the association delivered 85,079,969 pounds of milk, for which they received \$2,185,720; also 93,645 pounds of sour cream which brought them \$41,923.

Seventy-seven new members were admitted during the year, 58 withdrew, and 8 contracts were cancelled. Since the close of the year 36 more contracts have been accepted.

A new policy was adopted during the year and milk is now paid for on a 3.5 per cent butterfat basis, thereby giving producers a more satisfactory price basis. As members did not furnish enough milk to meet the demand during the fall and winter months, they are now urged to increase production. Three methods are suggested: more cows, improved methods of feeding, and better care of milk.

STEADY GROWTH OF A WISCONSIN CREAMERY

One of the largest cooperative creameries east of the Rocky Mountains is the Barron Cooperative Creamery Association, Barron, Wis., which manufactured 2,379,474 pounds of butter in 1926 from 6,828,503 pounds of cream, delivered by 883 patrons. A large addition to the creamery to accommodate the whole milk department, was authorized by the stockholders at the annual meeting.

Figures showing the amount of butter manufactured each year since 1901, the date of organization, are given in the following table:

Year	Butter made	Received from sale of butter	Paid patrons for butterfat	Percentage paid patrons
	(Pounds)			
1902	70,416	\$ 14,593	\$ 13,383	91.7
1903	166,081	34,193	30,938	90.4
1904	320,149	62,807	54,511	86.7
1905	509,925	109,649	97,656	98.0
1906	668,256	148,880	134,435	90.3
1907	679,448	174,070	157,517	90.4
1908	642,697	157,240	140,505	89.3
1909	637,610	173,256	158,182	91.2
1910	634,238	177,485	163,491	92.1
1911	665,348	167,943	152,962	91.0
1912	666,556	229,832	212,238	92.3
1913	993,069	282,943	260,244	91.9
1914	1,112,380	318,755	295,031	92.5
1915	1,319,200	364,203	334,601	91.8
1916	1,398,820	445,180	417,447	93.7
1917	1,351,786	552,477	524,472	94.9
1918	1,501,154	718,238	673,708	93.8
1919	1,623,562	930,834	885,750	95.1
1920	1,805,694	1,044,617	977,550	93.5
1921	2,187,765	869,075	787,639	90.6
1922	2,507,309	970,826	907,843	93.5
1923	2,554,679	1,125,180	1,054,406	93.7
1924	2,579,091	1,040,809	978,258	94.0
1925	2,570,073	1,124,793	1,063,003	94.5
1926	2,379,474	1,004,850	-----	-----

Sales of buttermilk and supplies add a considerable amount to the income each year.

Since 1908, before which date no records are available, the membership has ranged between 413 and 500, while the average number of patrons since 1919 has ranged from 883 to 1079.

EXCHANGE MARKETS GRAIN FOR OKLAHOMA EQUITY UNIONS

Business amounting to \$4,760,000 was transacted by the Union Equity Exchange, Enid, Okla., for its five member-units from June, 1926, to March 31, 1927. In addition sales amounting to \$167,446 were made for nonmembers. The Exchange handled 3,516,155 bushels of grain during the nine months. Net earnings were \$12,090. Of this amount \$9,411 was credited to the member-units as a patronage refund and \$260 was paid as dividends on capital stock.

On March 31 last the Exchange had a net worth of nearly \$20,000. The associations for which the Exchange is functioning as a sales agency are the Perryton, Spearman, Darrouzett, and Booker Equity Unions, and the Farmers' Grain and Equity Association.

-----0-----

FIFTH YEAR OF OKLAHOMA WHEAT POOL

Wheat received by the Oklahoma Wheat Growers' Association, Enid, to May 31, 1927, amounted to 2,436,899 bushels. The greater part of this quantity was marketed through the Southwest Cooperative Wheat Growers' Association, Kansas City, Mo. a sales agency for the Kansas, Nebraska, Colorado and Oklahoma wheat pools.

The quantity of wheat delivered to the association during the five years that it has been operating has varied from about 3,000,000 bushels to more than 6,000,000, as will be noted by the following figures:

Marketing season	Wheat received	
	(Bushels)	(Relative)
1922-23	2,961,074	100
1923-24	4,560,787	154
1924-25	6,281,067	212
1925-26	2,800,675	95
1926-27	2,436,899	82

During the year ending May 31 the membership of the Oklahoma association was increased from 2,150 to 3,096. Organization expenses for the twelve months period amounted to \$21,340.

INDIANA FARM BUREAU BUYS MUCH FERTILIZER

More than 9,000 tons of fertilizer was handled for Indiana Farm Bureau members in the spring of 1927, through the Indiana Farm Bureau Purchasing Department, Inc., Indianapolis. A patronage refund to the amount of \$28,000 has been announced and will be distributed soon. This represents a dividend of 12 per cent on the total business, although no dividend is paid on some of the tonnage. Fifty-six shares of stock, representing \$5,600, will be issued to qualified counties with the refunds.

-----0-----

COOPERATIVE WHOLESALE SOCIETY PROPOSED FOR WESTERN CANADA

The annual Conference of Cooperative Trading Societies of Saskatchewan is to be held at the University of Saskatchewan, Saskatoon, on July 26. Representatives from Manitoba and Alberta are expected. The program includes addresses and discussions on practical problems of cooperative stores. The question of a cooperative wholesale society for Western Canada promises to be the most important matter for discussion.

Following this conference on the 27th and 28th will be the Congress of the Cooperative Union of Canada.

-----0-----

EQUITY EXCHANGE OPERATES OIL STATION

In addition to operating a big grain elevator at McCook and another at Perry, the McCook Equity Exchange, McCook, Nebr., also conducts a coal business, a lumber yard, and a gasoline filling station. The filling station, which has been in operation one year, is said to be one of the finest oil stations in that section, the building and equipment being valued at \$16,095.

Accounts for the oil station were kept separate and sales for the year amounted to \$63,423, with a gross trading profit of \$20,465. Operating expenses came to \$8,890. After deducting \$1,040 for interest on the investment at the rate of 7 per cent, there remained a net profit for the year of \$10,445. Of this amount \$4,462 was refunded to members as a patronage dividend, at the rate of 16.46 per cent, and \$1,504 was returned to certificate holders, at the rate of 12.35 per cent on the business done at the filling station.

Sales of the elevator and lumber yard amounted to \$214,400, with a net income of \$11,196. Total sales for all lines of activity for the year were \$277,826, and net earnings, \$21,641. The company has 178 members and its net worth is \$107,897, representing a value of about \$164 per share of capital stock outstanding.

FIRST COOPERATIVE BANK IN IOWA

The first cooperative bank to be established under the new Iowa cooperative banking law, began business in What Cheer on June 28, taking over the business of a small savings bank which had the confidence of the community but needed more capital. The new bank is capitalized at \$25,000 and has 77 stockholders many of whom are members of the Farmers' Union.

Dividends on capital stock are limited to 8 per cent. Earnings, after paying interest on capital, must be placed in a reserve fund until the fund equals half of the amount of the capital stock. Any further earnings, after payment of dividends and setting aside a reserve, may be distributed as patronage dividends or credited on account in proportion to interest received on deposits and interest received from borrowers on loans. Each stockholder has but one vote.

-----0-----

FINANCING CORPORATION AIDS FLORIDA CITRUS GROWERS

Production loans to grower-members of the Florida Citrus Exchange, Tampa, by the subsidiary organization, the Growers' Loan and Guaranty Company, aggregated \$1,124,988, during the year ending April 30, 1927, an increase of \$437,131 over the previous year. In addition the company has financed local associations and special shippers in connection with their packing houses and equipment, to the amount of \$582,434, or \$16,606 more than last season. This brought the total amount of loans to \$1,707,422.

In order to assist the subsidiary company in financing certain large transactions, the Florida Citrus Exchange subscribed to \$500,000 worth of stock, of which \$150,000 was paid in cash, the balance to be paid by an assessment of one cent per box. This indebtedness has been reduced to \$103,469.

The maximum amount of loans outstanding at any one time during the year was \$1,434,595, in November, 1926. On April 30, 1927, the amount outstanding was \$933,683. On the same date the net worth of the company, on the basis of paid-in capital and surplus, was \$647,857.

Interest earned during the year aggregated \$101,444; operating expense was \$4,911, and administrative expense, \$10,574; interest paid came to \$63,764. leaving \$22,195 as net earnings for the business year.

MUTUAL HAIL INSURANCE IN ALBERTA A SUCCESS

A saving of about \$4,000,000 in eight years, in comparison with commercial rates, has been reported by the management of the Alberta Hail Insurance Board. Figures for the years 1919 to 1926 show that, under the provincial plan, \$9,612,247 was paid for premiums, \$8,085,994 for losses, and a reserve of \$768,661 was established.

Including both municipal insurance and that of numerous line companies, it is estimated that \$30,000,000 has been paid to farmers of Alberta on hail losses since insurance has been carried in the province.

Numerous changes have taken place in connection with the Municipal Hail Insurance since its reorganization in 1919. The two most important of these are the change from the automatic to the voluntary system in 1924, and the introduction of the zoning system of rating in 1926. Under the new zoning system the districts are divided into classes with different rates, the districts which are most subject to severe hail storms paying the highest rates. The municipal rates in 1926 ranged from 5 per cent to 8½ per cent, payable in December.

-----0-----

SASKATCHEWAN FARMERS HAVE MANY COOPERATIVES

Saskatchewan farmers are engaged in many lines of cooperative effort. A list of the various cooperative activities of the province, published by the Cooperation and Markets Branch of the Department of Agriculture, shows the following organizations:

Distributive: 47 store trading cooperative associations, 190 carlot trading cooperative associations, 145 beef rings.
Social: 80 community hall cooperative associations.
Pastures: 21 community grazing cooperative associations.
Breeding: 2 horse breeding cooperative associations.
Insurance: Saskatchewan Municipal Hail Insurance Association.
Marketing: Saskatchewan Cooperative Wheat Producers, Ltd.;
Saskatchewan Cooperative Poultry Producers, Ltd.;
Saskatchewan Livestock Cooperative Marketing Association, Ltd.;
Saskatchewan Cooperative Creameries, Ltd.; Saskatchewan
Registered Seed Growers, Ltd.; Canadian Cooperative Wool
Growers, Ltd.; 1 dairy cooperative association;
1 cheese cooperative marketing association.
Stock Yards: Southern Saskatchewan Cooperative Stock Yards, Ltd.,
Northern Saskatchewan Cooperative Stock Yards, Ltd.

INTERFERENCE WITH CONTRACTS OF COOPERATIVE ENJOINED

Under what circumstances may a cooperative association enjoin one who is interfering with the business of the association? A partial answer at least to this question is presented by two recent decisions of the Supreme Court of Colorado. In the case of Fort v. Cooperative Farmers' Exchange, 256 P. 319, it appeared that the Exchange brought suit against Fort and one of his employees for the purpose of restraining them "from inducing or attempting to induce, the breach of, or interfering in any manner whatever with, the marketing contracts between the plaintiff Exchange and its members, or any thereof, and from interfering in any manner whatever with such business or affairs of the plaintiff, and particularly from buying, or attempting to buy, or receiving or attempting to receive, any cabbage from any persons known by them to have marketing contracts with the Exchange."

The lower court granted a temporary restraining order without previous notice to the defendants; that is, without giving them an opportunity to object to its issuance on account of the fact that it was made to appear that "irreparable mischief or injury" would result if the restraining order was not issued immediately. Later, following a hearing, a permanent injunction was entered against the defendants, who then appealed from these orders and one of them because a fine of \$25 was imposed upon him for violating the temporary restraining order.

In upholding the right of the Exchange to an injunction the court said: "Since the right to carry on a lawful business without obstruction is a property right, acts committed without just cause or excuse, which interfere with the carrying on thereof, and destroy, or tend to destroy, the custom, credit, and profits of one engaged therein, do an irreparable injury, and authorize the issuance of injunction."

The court further held that the trial court rightly adjudged the defendant, Fort, in contempt of court. In this connection the defendant contended that the lower court erred in denying his request for a jury trial upon the contempt issue, but it was held that under the constitution of Colorado the defendant was not entitled to a jury trial.

The case of Fort v. People, a companion case to the foregoing one, 256 P. 325, is a case in which the Supreme Court reversed the trial court because it had adjudged Fort in contempt of court for an alleged violation by him of the injunction order which, among other things, forbade him from interfering with "any business of the Exchange." The interference with respect to the business of the Exchange, which it was claimed constituted a violation of the injunction order, consisted of articles that were inserted in a newspaper which purported to give facts with respect to the decline in the price paid locally for cabbages. The following extract from one of the articles shows the character thereof:

With practically no cabbage being put on the market from other producing points, hundreds of dollars are being lost by the growers on account of this price cut. If ever the cabbage growers deserved a decent price for their hard work it is this season.

On July 29th Mr. Northway again cut the price, this time to \$2, while Z. J. Fort and the other shippers were offering \$2.25.

On August 1st Mr. Fort was paying \$1.75, and Northway cut to \$1.50.

The Supreme Court held that the lower court erred in adjudging Fort guilty of contempt of court, holding that a fair interpretation of the injunction order did not cover the articles in question and apparently the Supreme Court was of the opinion that if the lower court had attempted to enjoin such publications it would have erred.

The decision of the court that the defendant was not guilty of contempt of court was apparently based upon the section of the constitution of Colorado guaranteeing the liberty "to speak, write, or publish whatever he will on any subject, being responsible for all abuse of that liberty." With respect to this section the court said:

There are occasions, however, when a publication will be restrained. Thus, under certain circumstances, a publication will be enjoined where it would unlawfully interfere with property rights. In harmonizing this section with other provisions of the Constitution, courts have necessarily limited the operation of this section. Some there are that believe that in this process of harmonizing this important provision has been unduly limited in its scope. Be that as it may, further limitation should not be imposed except in cases of clear necessity. In doubtful cases, an injunction order should not be so construed as to forbid the discussion of matters of public interest; of matters, for example, that vitally affect an industry upon which depends the prosperity of a community, large or small. It is not necessary for us to determine whether or not the words in question are too general to be capable of enforcement, or whether or not the defendant should have applied to the court to make them more definite, or whether or not an action for libel could be maintained. Construing the words in connection with the other words in the order, and keeping in mind the considerations to which we have called attention, we conclude that the order did not forbid, either in terms or by fair implication, the publication of the articles of which complaint is made.

In the first case discussed above, the defendants, the court found, had maliciously, directly and deliberately induced members of the Exchange to breach their marketing contracts, although they had full knowledge of them. In the last case discussed, apparently the court was of the opinion that Fort simply expressed his honest opinion as to the cause of the decline in the local price for cabbages. From the opinion it does not appear that it was claimed that the statements in question were false or that Fort had acted in bad faith, but simply that the defendant had violated that part of the injunction order prohibiting interference "with any of the business of the Exchange." The court in its opinion points out that not every interference with business constitutes a violation of the law or renders the person thus interfering amenable to damages or subject to be enjoined. If too strict a rule were applied by courts in matters of this kind, neither cooperatives nor their competitors could speak with definiteness or freedom regarding the other.

In *Northern Wisconsin Cooperative Tobacco Pool v. Bekkedal*, 182 Wis. 571, 197 N. W. 936, the court said:

We consider the law well settled that one who maliciously induces another to breach a contract with a third person is liable to such third person for the damages resulting from such breach. *Martens v. Reilly*, 109 Wis. 464, 84 N. W. 840; *Knickerbocker Ice Co. v. Gardiner Dairy Co.*, 107 Md. 556, 69 Atl. 405, 16 L. R. A. (N.S.) 746, and note; *Wheeler-Stenzel Co. v. American Window Glass Co.*, 202 Mass. 471, 89 N. E. 23 L. R. A. 1915 F, 1076, and note; *Swain v. Johnson*, 151 N. C. 93, 65 S. E. 619, 28 L. R. A. (N.S.) 615, and note; 36 Har. Law. Rev. 663.

In connection see also *Hollingsworth v. Texas Hay Ass'n* (Tex. Civ. App.) 246 S. W. 1068, *Tobacco Growers' Cooperative Ass'n. v. Pollock*, 187 N. C. 409, 121 S. E. 763, and *Angle v. Chicago, St. Paul, etc., Ry. Co.*, 151 U. S. 1.

In *McClure v. McClintock*, 150 Ky. 265, 150 S. W. 332, 42 L. R. A. (N.S.) 388, the court said:

It matters not, however, how angry he was with appellant, if he told the truth in the letter to the bonding company, he is not liable; but if he told falsehoods to accomplish his purpose, he is liable. If McClintock made false statements in order to accomplish a result, and the result did actually follow by reason thereof, he was liable in damages, although he acted without malice; but if he acted with malicious motives, the jury had a right to increase the damages on account thereof.

WINNERS OF KANSAS ESSAY CONTEST ANNOUNCED

Two hundred fifty students entered the second essay contest of the Kansas Cooperative Wheat Marketing Association, Wichita, and 70 manuscripts were submitted. The subject of the essay was, "What the Wheat Pool Means to the Kansas Farmer." All papers were judged by representatives of the Kansas State Agricultural College, Manhattan, and prizes have now been awarded to the winners, \$25 for first prize, \$15 for second, \$10 for third, and ten prizes of \$5 each for the next best essays.

-----0-----

INTERNATIONAL COOPERATIVE CONGRESS TO MEET IN STOCKHOLM

Preparations are now being made for the Twelfth International Cooperative Congress, to be held in Stockholm, Sweden, in August, under the auspices of the International Cooperative Alliance, which is a federation of cooperative educational unions and wholesales of 36 countries, representing more than 80,000 cooperative societies and 50,000,000 individual cooperators. The International Congress is held once in three years.

Special committees were organized several years ago to study the possibilities of international cooperative wholesaling, international cooperative banking, and international cooperative insurance. These committees are making statistical studies of the problems in their respective fields and have succeeded in stimulating considerable exchange of service among the national unions and wholesales and in strengthening mutual confidence among the international groups.

-----0-----

PURPOSES OF CONNECTICUT INSTITUTE OF COOPERATION

The program for the School and Institute of Cooperative Marketing, to be held at the Connecticut Agricultural College, Storrs, August 16-19, is now being distributed. The purposes of the school are stated to be twofold, "First, to make it possible for the men who now bear the responsibility for the control and guidance of cooperative marketing in the various localities of New England to profit by each other's experience and methods and to study cooperation under the instruction of men of national reputation in the field; second, to bring some of the most promising and able of the younger farmers of New England into contact with these teachers and with the present leaders of cooperation, in order that they may be prepared to take up the burden of responsibility when their time comes."

A number of cooperative associations of Connecticut and the Division of Cooperative Marketing of the U. S. Department of Agriculture are cooperating with the Connecticut Agricultural College in conducting this school.

REPORTED BY THE ASSOCIATIONS

Two new units are reported by the management of the Dairymen's Cooperative Sales Company, Pittsburg, making the total number of units now 154 with 16,210 stockholders.

A new up-to-date plant has been erected in Seattle by the Washington Cooperative Egg and Poultry Association. Modern equipment has been installed for handling and storing eggs, also for feeding, dressing and packing poultry for storage or market.

Two car loads of butter made in one day is the new high record for the Farmers' Equity Cooperative Creamery Association, Orleans, Nebr. For one week in June the business was approximately 44 per cent over that of the corresponding period in 1926. Two plants are now in operation.

Advance fund certificates and interest amounting to \$65,150 are scheduled for payment in July by the Poultry Producers of Central California, San Francisco. These advance fund certificates represent deductions for working capital made from returns to members for eggs delivered to the association.

At twelve meetings held during May and June the story of the marketing of the 1926-27 wheat crop was carried to the membership of the Central States Soft Wheat Growers' Association, Indianapolis, by the management of the organization. Charts and detailed statements were used to show the ups and downs of the wheat market.

Final payment has been made by the Manitoba Cooperative Poultry Marketing Association, Ltd., Hartney, for the two-months period ending May 28. Fifty-six cars of eggs having an approximate value of \$192,000, were handled during this period. More than 75 per cent of the eggs sold at this time graded extras or firsts. Most of them were sold on the eastern market.

Sixteen thousand broilers are being fattened by the Poultry Producers of Central California, San Francisco, at the feeding plant in East Petaluma. They are being carefully fed and will soon be ready for market or storage. In addition to the young stock there are also a large number of fowls at the plant, from 2,000 to 2,500 of which are being slaughtered for market each day.

New Mexico cotton growers who are members of the Southwestern Irrigated Cotton Growers' Association, with headquarters at El Paso, recently received \$69,616 from the Texas Farm Bureau Cotton Association, representing a first payment of 15 cents a pound on their 1926 cotton which was sold through the Texas association. Ninety-six members participated in this distribution.

COOPERATIVE SALES ORGANIZATION FOR LIVESTOCK

A new bulletin from the Agricultural Experiment Station of the University of Wisconsin, tells of "Cooperative Sales Organization for Livestock." The history of a number of sales companies is outlined with facts and figures regarding their operation and management. Part II discusses producers' attitudes toward these organizations, and Part III outlines a program for cooperative livestock marketing. Copies may be procured from the Agricultural Experiment Station, University of Wisconsin, Madison, Wis.

-----0-----

COOPERATIVE COTTON GINS IN TEXAS STUDIED

"Development of Cooperative Cotton Gins in Northwest Texas" is discussed in a preliminary report prepared in the Division of Cooperative Marketing. Data secured from the books and the financial statements of each of the cooperative cotton gins in the section in 1925 and again in 1926, by personal visits, were used as the basis of the study. The material is analyzed from various viewpoints and numerous tables and charts aid in the presentation. The different gins are referred to by number so as not to disclose their identity. Copies may be procured from the Division of Cooperative Marketing, Department of Agriculture, Washington, D. C.

-----0-----

TROPHIES AWARDED TO COOPERATORS

Winners in the second prize competition under the auspices of the National Co-op Press Club, were announced at a meeting of the club held in Chicago, July 8. The trophy for the best cooperative magazine was awarded to the Sunsweet Standard, San Jose, Calif., for the best cooperative newspaper, to the Dairymen's League News, New York City; and for the best co-op booklet, to "The Story of the Year, 1925-26," published by the Dairymen's League Cooperative Association, Inc, New York City. Owing to the inability of the judges to reach a decision on the best co-op story for 1926, the awarding of a trophy was deferred to a later date.

Two magazines received honorable mention: The National Live Stock Producer, published by the National Live Stock Producers' Association, Chicago, and the Blue Anchor, published by the California Fruit Exchange, Sacramento. Cooperative newspapers receiving honorable mention were: Farm Bureau News, published by the Texas Farm Bureau Cotton Association, Dallas; Colorado Wheat Grower, published by the Colorado Wheat Growers' Association, Denver; and Cooperative, published by the South Carolina Cotton Growers' Cooperative Association, Columbia.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Benton, Alva H. Farmers' Elevators in North Dakota: 500 Elevators Do 100 Million Dollar Business Each Year. Dakota Farmer, Aberdeen, S. D., July 1, 1927, p. 612.
- Brinton, J. W. The Four-State Hard Winter Wheat Pool. Nebraska Farmer, Lincoln, Neb., July 2, 1927, p. 3.
- Burnell, C. H. Wheat Pool Experiences and Prospects. The Wheat Grower, Grand Forks, N. D., July 1, 1927, p. 6.
- Cutting, Malcolm C. Manana--the World Wheat Pool. Canada is the Only One of the Five Big Grain-Export Countries That is Ready To-day for International Marketing. Country Gentleman, Philadelphia, July, 1927, p. 8.
- Downie, Ernest R. Control of Elevator Facilities by Grain Pool. Wheat Growers' Journal, Wichita, Kans., July 1, 1927, p. 4.
- Gilbert, A. B. The Canadian Pools--1927. The Farm Journal, Philadelphia, July, 1927, p. 8.
- Heaps, I. W. Suggested Set-Up for Collective-Bargain Dairy Cooperatives. Maryland Farmer, Baltimore, July 1, 1927, p. 1.
- High Time for Southern Farmers to Organize. Editorial. Progressive Farmer, Dallas, Tex., June 25, 1927, p. 4.
- Kuhrt, W. J. Some Safeguards to the Permanency of Farmers' Elevator Organizations. Farmers' Elevator Guide, Chicago, July, 1927, p. 8.
- Opinion Divided but All are Happy. Editorial. Wisconsin Farmer, Madison, June 30, 1927, p. 4.
- Pool your Wheat: How Cooperative Marketing Will Solve Your Wheat Problem. North Dakota Wheat Growers' Association, Grand Forks, N. D., 1927, 16 p.
- Robertson, F. E. Are We Ready for Cooperative Marketing? American Agriculturist, New York City, June 25, 1927, p. 5.
- Smith, D. L. Without Pools Farmers Are in Hands of Monopoly. Wheat Growers' Journal, Wichita, Kans., June 1, 1927, p. 16.
- Stahl, Bill. Grain Trade Trains Guns on Central States Pool. Wheat Growers' Journal, Wichita, Kans., July, 1, 1927, p. 13.

IN THIS ISSUE

	<u>Page</u>
Cotton:	
Smaller cotton delivery to cooperatives	277
President of Texas Cotton Association reports	278
Fourth year of cotton marketing in Louisiana	279
Fruits and vegetables:	
Avocado growers decide to change name of exchange (Calif.).....	281
Idaho growers ship potatoes cooperatively	281
Texas Citrus Exchange operates at small cost	282
Dairy products:	
Vermont creamery active many years	283
Dairymen of New York milk shed vote to affiliate	283
Pure Milk Association buying out distributing company (Ohio)..	283
Steady growth of a Wisconsin creamery	284
Grain:	
Exchange markets grain for Oklahoma equity-unions	285
Fifth year of Oklahoma wheat pool	285
Buying:	
Indiana Farm Bureau buys much fertilizer	286
Cooperative Wholesale Society for Western Canada	286
Equity Exchange operates oil station (Nebr.).....	286
Finance:	
First cooperative bank in Iowa	287
Financing corporation aids Florida Citrus Growers	287
Foreign:	
Mutual hail insurance in Alberta a success	288
Saskatchewan farmers have many cooperatives	288
Legal:	
Interference with contracts of cooperative enjoined. (Colo.)..	289
Education:	
Winners of Kansas essay contest announced	292
International Cooperative Congress to meet in Stockholm	292
Purposes of Connecticut Institute of Cooperation	292
Miscellaneous:	
Reported by the associations.....	293
Publications:	
Cooperative sales organization for livestock	294
Cooperative cotton gins in Texas studied	294
Trophies awarded to cooperators	294
Selected list of publications and articles	295